SUBJECTS.

50 acres might be taken up by the Government and the manufacture of salt tried there as an experimental measure before the idea was given up. If the experiments proved successful, the people themselves would thereafter take up the remaining area for salt manufacture.

Dewan's reply.—Noted.

(4) CUSTOMS REVENUE.

24. The need for discouraging the import of such foreign articles as compete with local manufactures and the export of certain articles by levying duties on them.

Mr. V. Krishna Iyer (Member, Trading Classes, Kottar) said that poverty in the State was increasing day by day, and one of the causes was that several industries for which the State afforded ample scope were not being effectively carried on as in other civilised countries. The time had therefore come when the State should hold out all possible facilities for the development of industries in the country. He deplored the fact that, while $3\frac{1}{2}$ crores of rupees worth of things was being exported, the State had nevertheless to look to foreign countries for as much as three-fourths of its daily necessaries, for, about $5\frac{1}{2}$ crores of rupees worth of articles was being imported from outside. As instances, he mentioned jaggery, copra, poonac, bones etc., which were exported from the State on a light duty. Many of the imported goods had no import duty also. With a view to develop the industries within the State and encourage local manufacture, he submitted the following proposals for the consideration of the Government :—

(1) that no export duty should be levied on the *manufactured* articles leaving the State ;

(2) that the export duty on the raw materials of the State and on paddy and rice leaving the country should be fixed at the maximum admissible under the Interportal Trade Convention ; and

(3) that a prohibitive import duty should be levied on the manufactured goods and other foreign articles that came into the country and competed with the local manufactures.

Dewan's reply.—Under the Interportal Trade Convention entered into with the British Government, the Darbar has to follow the British Indian Tariff in regard to the values and rates of duty on imports from foreign countries, excepting tobacco, salt, opium and spirits. Hence the Member's request to levy prohibitive import duties cannot, if any case, be complied with.

As regards the export duties, the duty that this Darbar can levy under the Convention cannot exceed 5 per cent *ad valorem*, except in the case of timber, on which the duty can go up to, but cannot exceed, 10 per cent. In the case of poonac, there is already an export duty of 5 per cent on a tariff valuation of Rs. 5 per cwt. There is at present an export duty on rice and paddy, but no rice or paddy is, however, being exported now.

25. The improvement of the commerce of the State with special reference to the development of its seaports.

Mr. D. Francis (Member, Nominated) said that the poverty of the country was due to its backward condition in regard to commerce and industry. The commerce of the country was now mainly confined to places within the State. He

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